Federal Health Update

SEPT. 25, 2015

Welcome to Federal Health Update. This newsletter is a compilation of the latest news in the federal health care sector.

EXECUTIVE AND CONGRESSIONAL NEWS

- **On Sept 18, 2015, President Obama announced that he will nominate Eric Fanning to be Secretary of the Army, succeeding John McHugh who has served as Army secretary since September 2009. McHugh has announced he will step down from the post in November.**

  Fanning currently serves as acting under secretary of the Army since June 30, 2015. Prior to that he served as the special assistant to the Secretary and deputy secretary of Defense.

  Fanning has also held senior leadership jobs in the Department of the Air Force and the Department of the Navy. From April 2013 to February 2015 he served as the Under Secretary of the Air Force during which time he was Acting Secretary of the Air Force for six months. Fanning was the deputy under secretary of the Navy and deputy chief management officer for four years beginning in 2009.

  Prior to serving in the Department of Defense, Fanning held a number of jobs related to national security. In 2009 he was deputy director of the Commission on the Prevention of Weapons of Mass Destruction Proliferation and Terrorism.

- **The Senate Appropriations Committee Chairman Thad Cochran (R-Miss.) released a short-term continuing resolution to continue funding for government operations and prohibit funding for Planned Parenthood on Sept. 22, 2015.**

The Continuing Appropriations Resolution, 2016 will ensure the operation of the federal government through Dec. 11, 2015, creating a two-and-a-half month window to complete the fiscal year 2016 appropriations process. The legislation provides funding at an annual rate of $1.017 trillion, which conforms to the topline discretionary spending limit established by the Budget Control Act for fiscal year 2016.

MILITARY HEALTH CARE NEWS

- **The first Asia Pacific Military Health Exchange (APMHE) opened in Da Nang, Vietnam on September 14, 2015.**

  More than 400 participants from 23 countries to learn more about infectious diseases, the role of the medical non-commissioned officer, medical support of peacekeeping operations, health effects of climate change, nursing roles and a dozen more breakout health topics.

  The "Global Health Cooperation" theme of the exchange, lent itself to the 20th Anniversary of the normalization of diplomatic relations between the United States and Vietnam.

  "We have truly come far since July of 1995 and our continued engagement signals while history cannot be rewritten, we are the authors of our future," said Dr. Jonathan Woodson, assistant secretary of defense for health affairs. "As this conference illustrates, military health cooperation is part of this fabric of greater cooperation," Woodson added.

  In its inaugural venture, the APMHE efficiently combined previously separate military health meetings led by United States Pacific Command (USPACOM) components: Asia Pacific Military Medical Conference (led by U.S. Army Pacific, USARPAC), Asia Pacific Military Nursing Exchange (led by Pacific Air Forces, PACAF) and Senior Navy Medical Leaders Symposium (led by Pacific Fleet, PACFLT/7th FLT), into one joint holistic engagement with efficiencies in funding, travel time and engagement burden on partner nations all relieved.

  "We recognize that military health teams are just that – teams. All members of the team have an important role to play, and the team wouldn't be complete without all of the players," said cohost Rear Adm. Colin Chinn, command surgeon, USPACOM. "That means the various professional corps are interdependent. The various ranks are all critical to the complete team and the military health team functions in the air, on the ground, and on and under the sea," added Chinn.

  "It has been 23 times since the first APMHE organized," said Maj. Gen. Vu Quoc Binh, surgeon general of the Vietnam People's Army. "Through these significant events we have gained fruitful outcomes, many lessons in military medicine cooperation are shared, many cooperative initiatives are implemented thereby contributing to strengthening the confidence building, mutual understanding and cooperation among our military medicine forces," Binh said during his opening remarks.

  U.S. Army Brig. Gen. Patrick D. Sargent, commander of the Regional Health Command-Pacific in Hawaii and scheduled cohost of the Ground Forces session later in the week, also appreciated the cooperative initiatives between the nations present at the exchange and how that collaboration can help improve multinational cooperation in order to meet health challenges.

  The APMHE conference agenda includes plenary sessions on current global health topics, breakout sessions divided by Corps (Medical, Nurse, Administrative, Public Health, Enlisted) and Service (Ground, Air, Maritime) with cultural tours strewn throughout the week for all participants.

- **Despite receiving a letter from 31 House members asking to soften rules set in May that**

block TRICARE coverage of compound medicines when medical efficacy is unproven or prices extreme, the Department of Defense is standing firms on its policy, according to *The Military Update*.

In fact, TRICARE officials say the agency has had to tweak the new rules five times since May 1 just to close more loopholes that industry seemed ready to exploit, possibly sending TRICARE drug costs soaring again.

Compound pharmacies combine more than one ingredient to create drugs not available from commercial manufacturers. Medicines in different strengths or forms can be critical for meeting individual patient needs.

In recent years, however, compounding labs have popped up to produce lotions and ointments for pain or scarring that often are marketed deceptively, wildly overpriced and tout benefits not medically proven. The most nefarious marketers began targeting TRICARE two years ago after commercial insurance plans got wise to their tactics and tightened coverage.

TRICARE saw compound drug costs jump from $23 million a year in 2010 to almost $550 million -- a month -- by last April. The cost explosion punched a $2 billion hole in the TRICARE budget, forcing DoD to seek permission from Congress to reprogram more than $1 billion from other defense accounts just to sustain health care operations through this month.

After TRICARE imposed tougher screens to mirror those used by commercial insurance plans, its average cost of a compound drug claim fell from $5500 to $325. Total compound drug costs per month fell to $10 million from $547 million in April. The industry, however, is irked.

Compound medicines, the letter argues, “are often the last option for many patients, and these changes force them to make difficult decisions, which sometimes involve illegal drug use as a last resort.”

Dr. George E. Jones, Jr., chief of pharmacy operations for the Defense Health Agency, said most claims made in the letter are false. Since May, for example, TRICARE still has paid for more than 120,000 compound drug prescriptions, those deemed medically needed.

No beneficiary is being denied any drug medically required to treat a condition, Jones said. He also hasn’t heard of any beneficiary who, denied compound drug coverage by TRICARE, has had to resort to illegal narcotics.

- **On Sept. 24, 2015, the Defense Health Agency announced it has awarded Information Technology Solutions and Consulting, a $14,040,207 modification (P00012) to contract (HT0011-14-F-0020) to exercise option period one for a variety of acquisition and other related administrative services to complement the government’s workplace capabilities.**

  These services include, but are not limited to, acquisition and contract management, program management support, administrative, and other related workload requirements associated with the acquisition and administration of awarded contracts. Work will be performed in Virginia, Maryland, Colorado, and Texas, with an estimated completion date of Sept. 24, 2016.

  Fiscal 2015 operation and maintenance funds in the amount of $14,040,207 are obligated at award.

VETERANS AFFAIRS NEWS

- **The Minneapolis Veterans Affairs Medical Center is postponing and rescheduling dozens**

of surgical procedures through the end of the week after "an unidentified substance" was found in sterilizing equipment on Sept. 23, 2015.

Until the substance is identified and the equipment cleaned, inspected and certified, the Minneapolis VA has rescheduled most surgeries for the remainder of the week, the hospital said in a statement.

The VA said it is able to perform some cases at the medical center using other sterilizers that were not affected.

Urgent and emergency procedures have been moved to other hospitals, including the University of Minnesota, according to a statement from the hospital.

The VA canceled 23 elective cases on Wednesday and 24 on Thursday. The VA said it is planning to do 11 cases at the medical center Thursday and then reassess on a daily basis, depending on the cases and available instruments.

All the canceled cases were reviewed by a surgeon for urgency and rescheduled according to the clinically indicated date, the hospital said. Meanwhile, the hospital is using sterilizers at St. Cloud VA and Hennepin County Medical Center until its sterilizers are fully operational.

The VA said the problem was discovered by staff monitoring the equipment.

The substance has been sent to a laboratory for analysis.

GENERAL HEALTH CARE NEWS

- **One in 10 (10.2 percent) pregnant women in the United States ages 18 to 44 years reports drinking alcohol in the past 30 days.**

  In addition, 3.1 percent of pregnant women report binge drinking – defined as 4 or more alcoholic beverages on one occasion. This means that about a third of women who consume alcohol during pregnancy engage in binge drinking according to a CDC report.

  Fetal alcohol spectrum disorders (FASDs) are a group of conditions that can occur in a person whose mother drank alcohol during pregnancy. FASDs are completely preventable: if a woman does not drink alcohol during pregnancy, her child has zero risk of an FASD

  The study used data from CDC's Behavioral Risk Factor Surveillance System (BRFSS), a state-based, landline and cell phone survey of the U.S. population. To estimate the prevalence of alcohol use and binge drinking, researchers used 2011-2013 BRFSS data for all 50 states and the District of Columbia for women aged 18-44 years.

  Among pregnant women, alcohol use was highest among:

  - Those aged 35-44 years (18.6 percent);
  - College graduates (13 percent); and
  - Unmarried women (12.9 percent).

  For comparison, 1 in 2 (53.6 percent) non-pregnant women in the United States aged 18 to 44 years reports drinking alcohol in the past 30 days and 18.2 percent of non-pregnant women report binge drinking. Among women who reported binge drinking in the past 30 days, pregnant women reported a significantly higher frequency of binge drinking than non-pregnant women (4.6 and 3.1 episodes respectively).

  The prevalence of any alcohol use and binge drinking among pregnant and non-pregnant women

is slightly higher than estimates reported for 2006-2010. However, this is likely due to methodological changes to the BRFSS in 2011, such as the addition of cell phone surveys, rather than actual shifts in the prevalence of alcohol use.

- **The Centers for Medicare & Medicaid Services (CMS) announced that Medicare Advantage premiums will remain stable and more enrollees will have access to higher quality plans while, for a sixth straight year, enrollment is projected to increase to a new all-time high.**

  CMS estimates that the average Medicare Advantage premium will decrease by $0.31 next year, from $32.91 on average in 2015 to $32.60 in 2016. The majority of Medicare Advantage enrollees (59 percent) will face no premium increase.

  Access to the Medicare Advantage program will remain strong, with 99 percent of beneficiaries having access to a plan. In addition, in 2016, more Medicare Advantage plans will offer supplemental benefits for enrollees, such as dental, vision and hearing benefits.

  Between 2010, when the Affordable Care Act was enacted, and 2016, premiums are expected to decrease by nearly 10 percent and enrollment is projected to increase by more than 50 percent to approximately 17.4 million enrollees, which represents about 32 percent of the Medicare population. At the same time, beneficiaries are receiving higher quality care. About 65 percent of Medicare Advantage enrollees are currently enrolled in plans with four or more stars for 2016, a significant increase from an estimated 17 percent of enrollees in such plans in 2009.

  Premiums in the Medicare Prescription Drug Program (Part D) will also be stable next year. Earlier this year, CMS announced that the average basic Medicare prescription drug plan premium in 2016 is projected to remain stable at $32.50 per month. Because of the Affordable Care Act, people with Medicare are seeing reduced costs through both savings on covered brand-name and generic drugs and access to certain preventive services at no cost sharing. Since the passage of the Affordable Care Act, which closes the prescription drug “donut hole” over time, more than 9.8 million people with Medicare have saved over $17.6 billion on prescription drugs through July 2015 as a result of the discounts in the donut hole and rebates in 2010, for an average of $1,796 per beneficiary.

  Quality in Part D continues to be robust, with close to 50 percent of prescription drug plans receiving four or more stars. These plans serve about one-third of prescription drug plan enrollees, compared to 27 percent of enrollees in plans with four or more stars in 2009. CMS calculates star ratings from one to five (with five being the best) based on quality and performance for Medicare health and drug plans to help beneficiaries, their families, and caregivers compare plans.

  For more information on the premiums and costs of 2016 Medicare Advantage and Part D plans, please visit: https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/index.html.

  For more information on Medicare Open Enrollment, including state-by-state fact sheets, please visit: https://www.cms.gov/Outreach-and-Education/Reach-Out/Find-tools-to-help-you-help-others/Open-Enrollment-Outreach-and-Media-Materials.html.

  For a fact sheet on Medicare Advantage and Part D, please visit: https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-09-21.html.

- **The U.S. Food and Drug Administration announced it has awarded 18 new research grants totaling more than $19 million to boost the development of products for patients**

with rare diseases, which affect the lives of nearly 30 million Americans.

These new grants were awarded to principal investigators in ten states, with research spanning clinical sites domestically and internationally.

The FDA awards the grants through the Orphan Products Grants Program to encourage clinical development of drugs, biologics, medical devices, or medical foods for use in rare diseases. The grants are intended for clinical studies evaluating the safety and effectiveness of products that could either result in, or substantially contribute to, the FDA approval of products.

Since its creation in 1983, the Orphan Products Grants Program has provided more than $350 million to fund more than 570 new clinical studies and supported the marketing approval of more than 50 products.

Ten of the 18 awards fund studies that enroll pediatric patients as young as newborns. Two are funding studies related to sickle cell disease, specifically focusing on the extreme pain that patients, many of whom are children, suffer from and which serves as a leading cause of emergency room visits and hospitalizations in these patients. One of these studies evaluates the use of a medical device to treat children with acute kidney injury.

A total of 92 grant applications were received for this fiscal year. Twenty-five ad hoc panels comprising over 80 independent clinicians, scientists and researchers with expertise in these rare disease-related fields reviewed the grant applications and recommended the most promising research projects for funding.

The grant recipients for fiscal year 2015 can be viewed at:
http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm463539.htm

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- **The National Center for Disaster Medicine and Public Health (NCDMPH) has released its newest resource for health educators and trainers, "Caring for Older Adults in Disasters: A Curriculum for Health Professionals."**

  Developed through the support of the U.S. Department of Veterans Affairs, the Caring for Older Adults in Disasters (COAD) curriculum is comprised of 24 lessons in 7 modules covering topics ranging from special considerations for older adults in specific types of disasters to ethical and legal issues related to the care of the senior population during a disaster.

  The COAD curriculum's lessons range from 30 to 120 minutes in length based on the particular learning context. They include suggested learning activities for educators to engage their learners, as well as required and supplemental readings for both learners and educators.

  The curriculum can be used in its entirety, teaching all lessons in the order provided, or trainers may select individual lessons or portions of lessons most relevant to their learners. The curriculum's material can be adapted to best meet a specific setting and learner needs by substituting resources, modifying activities, or augmenting content.

REPORTS/POLICIES

- **The GAO published *"Biosurveillance: Challenges and Options for the National Biosurveillance Integration Center,"* (GAO-15-793) on Sept. 24, 2015.** This reportdiscusses the extent to which NBIC is implementing its roles as a biosurveillance integrator, and options for improving such integration. http://www.gao.gov/assets/680/672732.pdf

- **The Institute of Medicine published "Improving Diagnosis in Health Care," on Sept. 22, 2015.** This report examines the importance of accurate diagnoses. http://www.nap.edu/catalog/21794/improving-diagnosis-in-health-care

HILL HEARINGS

- The House Energy and Commerce Subcommittee on Health will be held on **Oct. 1, 2015**, to examine potential ways to improve the Medicare program.

- The House Veterans Affairs Committee will hold a hearing on **Oct. 7, 2015**, to examine an independent assessment of the Veterans Health Administration.

LEGISLATION

- **S.2066** (introduced Sept.22, 2015): A bill to amend title 18, United States Code, to prohibit a health care practitioner from failing to exercise the proper degree of care in the case of a child who survives an abortion or attempted abortion was referred to the Committee on the Judiciary. Sponsor: Senator Ben Sasse [NE]
- **S.2067** (introduced Sept.22, 2015): A bill to establish EUREKA Prize Competitions to accelerate discovery and development of disease-modifying, preventive, or curative treatments for Alzheimer's disease and related dementia, to encourage efforts to enhance detection and diagnosis of such diseases, or to enhance the quality and efficiency of care of individuals with

such diseases was referred to the Committee on Health, Education, Labor, and Pensions. Sponsor: Senator Roger F. Wicker [MS]

MEETINGS

- The 2015 AHRQ Research Conference, "Producing Evidence and Engaging Partners to Improve Health Care", will be held **Oct. 4–6, 2015**, in Crystal City, Va. http://www.ahrq.gov/news/events/conference/index.html
- The AUSA 2015 Annual Meeting & Exposition will be held **Oct. 12-14, 2015**, in Washington DC. http://ausameetings.org/2015annualmeeting/
- The 31st Annual Meeting of the International Society for Traumatic Stress Studies (ISTSS) will be held **Nov.5-7, 2015,** in New Orleans, La. http://www.istss.org/am15/home.aspx
- The AMIA 2015 Annual Symposium will be held on **Nov. 14-16, 2015**, in San Francisco, Calif. https://www.amia.org/amia2015
- 2015 AMSUS Annual Continuing Education Meeting will be held **Dec. 1-4, 2015**, in San Antonio, Texas http://amsusmeetings.org

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